

Message Text

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61

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 ARA-06 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01

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R 171354Z MAR 76

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 7786

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY BEUNOS AIRES

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: BBAK, EINV, PFOR, PGOV, NL

SUBJECT: LOCKHEED AND THE PRINCE: THE ARGENTINE CONNECTION

1. ONE ARGUMENT USED BY DEFENDERS OF PRINCE BERNHARD HAS BEEN THAT SPECIAL PAYMENTS (BRIBERY) HAVE LONG BEEN A PART OF ESTABLISHED BUSINESS PRACTICE.

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2. ON THIS THEME, A FORMER DIRECTOR OF THE LARGE DUTCH RAILROAD ROLLING-STOCK MANUFACTURER, WERKSPoor, TOLD THE CONSERVATIVE

DAILY "DE TELEGRAAF" LAST WEEK THAT HIS COMPANY HAD PAID A BRIBE OF 30-MILLION GUILDERS (\$11.1 MILLION AT TODAY'S RATE) TO JUAN PERON IN ORDER WIN A 258-MILLION GUILDER (\$95.7 MILLION) ARGENTINE ORDER IN THE EARLY 1950'S. PRINCE BERNHARD CLINCHED THE DEAL AND THE TRANSFER OF BRIBE PAYMENTS TO SWISS BANK ACCOUNTS WAS MADE WITH GON KNOWLEDGE AND APPROVAL. ACCORDING TO THE WERKSPOOR DIRECTOR'S STORY, DR. MARIUS HOLTROP, A MEMBER OF THE COMMISSION INVESTIGATING THE CURRENT CHARGES AGAINST PRINCE BERNHARD WAS INVOLVED IN THE 1951 ARGENTINE DEAL IN HIS CAPACITY AS GOVERNOR OF THE CENTRAL BANK. A DIRECTOR OF THE CENTRAL BANK HAS SUBSEQUENTLY ACKNOWLEDGED THE TRANSFER OF "EXORBITANTLY HIGH COMMISSION FEES" IN THE ARGENTINE DEAL, BUT SAYS THAT IT DONE WITHOUT HOLTROP'S KNOWLEDGE.

3. REVELATION THAT GON (AT TIME HEADED BY SOCIALIST PRIME MINISTER DREES) HAD ITSELF BEEN PARTY TO PAYING BRIBES IN ORDER TO WIN CONTRACTS HAS BEEN A FURTHER EMBARRASSMENT FOR DUTCH. WERKSPOOR DIRECTOR TOLD STORY, HE SAID, TO SHOW THAT PRACTICE OF MAKING SUB ROSA PAYMENTS WAS WIDESPREAD AND NECESSARY AND BECAUSE HE THOUGHT IT WOULD HELP PRINCE BERNHARD.

4. PRIME MINISTER DEN UYL WILL DECIDE THIS WEEK WHETHER GON SHOULD INVESTIGATE ALLEGED PAY-OFFS TO ARGENTINIAN OFFICIALS (IN ADDITION TO MONEY, WERKSPOOR DIRECTORS SAY THAT COMPANY GAVE PERON A LUXURIOUS TRAIN CAR AND EVA PERON EXPENSIVE JEWELRY). IN COMMENTING ON AFFAIR, DEN UYL REFERRED REPORTERS TO AMRO BANK PRESIDENT VAN DEN BRINK, WHO WAS MINISTER OF ECONOMIC AFFAIRS DURING PERIOD. VAN DEN BRINK, WHO HAS BEEN OUT OF GOVERNMENT FOR OVER 20 YEARS BUT STILL HAS POLITICAL AMBITIONS, REACTED ANGRILY, STATING THAT DEN UYL, AS A FORMER ECON MINISTER HIMSELF, KNEW THAT SUCH THINGS WERE HANDLED BY MINISTRY OF FINANCE NOT ECONOMICS.

5. CONTACTED BY DUTCH PRESS, PIETER LIEFTINCK, FINANCE MINISTER IN DREES CABINET AND NOW AN EXECUTIVE DIRECTOR OF IMF, SAID FROM WASHINGTON THAT HE DID NOT REMEMBER APPROVING ANY PAY-OFFS TO ARGENTINIANS. NOTING THAT HE WAS RESPONSIBLE FOR LAYING DOWN CURRENCY TRANSFER GUIDELINES, LIEFTINCK SAID THAT "YOU CAN'T LOOK INTO THE GRANTING OF EVERY SINGLE PERMIT. AS A MINISTER, YOU LIMITED OFFICIAL USE
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HAVE OTHER THINGS TO DO."
GOULD

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Message Attributes

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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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Disposition Remarks:
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